



Chairman Ajit Pai
Federal Communications Commission
445 12th Street SW,
Washington, DC 20554

July 26, 2019

Dear Chairman Pai,

I am writing today in response to the Federal Communications Commission's (FCC) Public Notice which, among other things, considers changes to the Universal Service Fund (USF) programs, including E-Rate. Before delving into my response to the proposed changes, I want to thank the FCC for its continued support for the E-Rate program and for the critical programmatic and policy changes the commission adopted in 2014. The E-Rate program provides critical discounts to assist schools (like mine) to obtain affordable telecommunications and internet access.

Here in Michigan, E-Rate has played a crucial role in directly connecting over 2000 K-12 buildings across our entire state to a high-speed fiber optic network called the State Education Network (SEN), which is currently directly serving over 1 million students daily. The Michigan Statewide Educational Network was charged by the Michigan Department of Education with connecting every K-12 school building for any time, any place, any way, any pace learning opportunities. In addition, the SEN also provides opportunity for shared/consolidated services, increased network security and substantial cost savings through statewide bidding, standardization and equal access.

The E-Rate program, and the broader USF program, is a program succeeding in its mission. As the FCC moves forward with this public notice, it is prudent to remain focused on the fact that E-Rate is a program that works. Any changes to the E-Rate program should be focused on expanding a successful program that has yet to reach its full potential and ensuring the FCC remains a good steward of the changes adopted 2014, allowing those changes to progress and play out as intended. Changes to the E-Rate program and the broader USF program must be focused on bolstering and strengthening the original intent of the underlying programmatic statute, expanding equitable access to connectivity in multiple areas, through all four USF programs (E-Rate, Rural Health Care, Lifeline, and Connect America Fund).

The organizing theme of the proposed rule is a focus on a funding cap for the USF program, including pairing E-Rate under a funding cap with Rural Health Care. E-Rate played a critical role is the rapid and significant expansion of connectivity in schools, and I am concerned that the proposed rule will unnecessarily pit two important priorities—connectivity in schools with rural health care—against each other, resulting in an arbitrary funding pressure that not only disregards and dismisses the original intent of the statute creating all four USF programs, but also stands to undermine and threaten the great progress of E-Rate.

I am opposed to the rule as drafted. The proposed rule conflicts with the original legislative intent of the underlying 1996 Telecommunications Act, which was explicit in its creation of two separate and distinct programs for schools/libraries and rural health care providers. The proposed rule unnecessarily pits schools/libraries against rural hospitals/clinics, creating a false race to the bottom under which both programs and the communities they support lose. The proposed rule will likely immobilize E-Rate funding and expand confusion among beneficiaries. Specific to E-Rate and schools, where school system leaders have a responsibility to balance their budget annually, the idea that the E-Rate funding would be hamstrung and lack certainty in availability will certainly impact how districts plan to continue (or discontinue, should funding not be certain or reliable) their effort to build out connectivity to meet the learning needs of their students.

The goal of the E-Rate program is simple: equitable access to affordable connectivity. While the overwhelming majority of schools and libraries are connected, the ongoing conversation about connectivity and E-Rate must continue to support and protect the shift from establishing connectivity to ensuring adequate connectivity (specifically, access to high-speed broadband). A massive overhaul of the E-Rate program without considering its initial purpose—one that has yet to be fully recognized—is poor policy. The FCC must support continuation of an E-Rate program that remains focused on expanding the E-Rate program from simple connectivity to expanded connectivity.

Here are a few of the success stories that the State Education Network (SEN) has been able to accomplish, in great part due to the benefits of the E-Rate program:

- 1) Providing rural K-12 areas with the cost competitive advantages of high-density areas. One example is through statewide bidding and equal access, the SEN was able to provide Internet Access (IA) costs of \$0.50 per Mbps (pre E-Rate) for all K-12 (prior to this, some northern rural areas were paying in excess of \$14.00 per Mbps)
- 2) Providing ISD's with access to a statewide high-speed intranet in order to share services, applications and expertise such as server hosting, student information systems, reading recovery, online testing and network security to name a few
- 3) It is estimated that the SEN has collectively saved Michigan K-12 districts in excess of \$2,000,000.00 over the last 2-years alone (IA costs, DDoS protection, replacing leased circuits, shared data-centers, etc...)

We expect overall savings to increase substantially as we continue to build out the SEN during Phase II, the goal of which is to connect all remaining K-12 buildings that were not connected in Phase I (currently have 2,024 out of 3,075 buildings connected with 1.47 million students in Michigan total). The SEN is also currently in discussion with the Library of Michigan to promote and encourage local libraries and library consortia to connect to the SEN backbone via their regional ISD's. Without E-Rate, MISEN would never have been able to build a sustainable fiber optic backbone network across the state of Michigan (Phase I), and E-Rate will continue to play a critical role with Phase II in continuing to connect our underserved K-12 communities.

In closing, I reiterate my district's continued, strong support for and reliance upon the E-Rate program for being able to access and afford the high-speed connectivity that is so central to our students' learning. Thank you for considering these comments.

Sincerely,

Matt Stark

Director, Michigan State Education Network

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